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July 29, 2003
Project Number 03-14660

Tony Bortolazzo
Wright & Company
130 Garden Street
Santa Barbara, California 93101

Phase I Environmental Site Assessment "Site 1"
Portion of 130 Garden Street Complex - CFP (APN 17-630-05)
Santa Barbara, California

Dear Mr. Bortolazzo:

This report presents the findings of a Phase I Environmental Site Assessment (ESA) completed by Rincon Consultants, Inc. (Rincon) for a site property located at 130 Garden Street in Santa Barbara, California. The site, located on the northwest corner of Garden Street and Yanonali Street, is identified as APN 17-630-05. The Phase I ESA was performed in accordance with our proposal and contract dated June 17, 2003.

The accompanying report presents our findings and provides an opinion regarding the potential presence and impact of environmental site conditions. Our work program for this project, as referenced in our contract, is intended to meet the guidelines outlined in the American Society for Testing Materials (ASTM), Standard Practice for Environmental Site Assessments: *Phase I Environmental Site Assessment Process* (ASTM Standard E-1527-00). Our scope of services, pursuant to ASTM practice, did not include any inquiries with respect to asbestos, lead-based paint, lead in drinking water, wetlands, regulatory compliance, cultural and historic resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality, or high voltage power lines.

Thank you for selecting Rincon for this project. If you have any questions or if we can be of any future assistance, please contact us.

Sincerely,
RINCON CONSULTANTS, INC.

R. Scott English, REA I
Project Manager

Walter Hamann, RG, CEG, REA II
Vice President, Environmental Services

EXHIBIT R

EXECUTIVE SUMMARY

This report presents the findings of a Phase I Environmental Site Assessment (ESA) for the property located at 130 Garden Street in Santa Barbara, California (Figure 1, Vicinity Map). The site is currently used by various commercial/industrial tenants. The site is a rectangular shaped property identified as APN 17-630-05. The property is located on the northwest corner of Garden Street and Yanonali Street. Highway 101 is located to the north of the property.

The site is located in an area that is primarily comprised of industrial land uses. Properties in the vicinity of the site include numerous industrial businesses and a residential development.

Review of an environmental database records search (EDR) indicated that an unauthorized release has occurred on the adjacent site to the southeast. Files were reviewed for the adjacent site and it was found that two LUST sites are located on the adjacent block to the southeast. However, based on the distance from the subject property, and the reported groundwater flow direction to the east/northeast, these specified properties would not be expected to impact the subject property.

Historical sources reviewed as part of the Phase I include aerial photographs (1928, 1938, 1947, 1956, 1966, 1975, 1982, and 1994) and topographic maps (1944, 1952, 1967, 1988, and 1995). The photos and maps reviewed indicate the site was undeveloped from 1928 until 1956 when a small structure or vehicle is noted in the north central portion of the property. In 1966 the property appears to be vacant undeveloped land (the structure or vehicle is no longer visible). By 1994, the site has segregated areas (tenant lease areas). No distinct structures or features could be determined from the 1994 photo.

Mr. Bortolazzo (~~owner~~) indicated that rubble from Santa Barbara 1925 earthquake was used to fill much of the general area between US 101 and the beach, including the subject property. The earthquake debris could include a variety of contaminants. These contaminates could include petroleum hydrocarbons, polynuclear aromatic hydrocarbons (PAHs) and metals.

Based on the findings of this Phase I ESA, it is our opinion that there is a potential recognized environmental condition on the site in connection with the site being a landfill for the 1925 earthquake debris. Note that the debris was put in areas beyond the subject property. Much of the coastal area of Santa Barbara, including the site, is built on this fill. The fill does not appear to be related to any activities that occurred on the property.

INTRODUCTION

This report presents the findings of a Phase I ESA conducted for the property located at 130 Garden Street, California, APN 17-630-05. The Phase I ESA was performed by Rincon Consultants, Inc. (Rincon) for Wright & Company in general conformance with ASTM E 1527-00 and our proposal and contract dated June 27, 2003. The following sections present our findings and provide our opinion as to the potential presence and impact of environmental site conditions.

PURPOSE

The purpose of this Phase I ESA was to identify the possible presence of recognized environmental conditions (RECs) associated with possible soil and groundwater contamination at the site.

A REC is defined pursuant to ASTM E 1527-00 as the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include de minimis conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

SCOPE OF SERVICES

The scope of services conducted for this study is outlined below:

- Perform an on-site reconnaissance to identify obvious indicators of the existence of hazardous materials.
- Observe adjacent or nearby properties from public thoroughfares in an attempt to see if such properties are likely to use, store, generate, or dispose of hazardous materials.
- Obtain and review an environmental records database search from Environmental Data Resources (EDR), Inc. to obtain information about the potential for hazardous materials to exist at the site or at properties located in the vicinity of the site.
- Review files for the subject site and immediately adjacent properties as identified in the EDR report.
- Review the current U.S. Geological Survey (USGS) topographic map to obtain information about the site's topography and uses of the site and properties in the vicinity of the site.
- Review historic aerial photographs and topographic maps to obtain information about historic uses of the subject property and adjacent properties.
- Review California Division of Oil and Gas records to obtain information about historic oil and gas activity in the vicinity of the site.
- Provide an interview questionnaire to the property owner or a designated site representative identified to Rincon by Wright & Company.

- Conduct a site interview with the owner or designated representative.

Our scope of services, pursuant to ASTM E 1527 practice, did not include any inquiries with respect to asbestos, lead-based paint, lead in drinking water, wetlands, regulatory compliance, cultural and historic resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality, or high voltage power lines.

LIMITATIONS, ASSUMPTIONS AND USER RELIANCE

This Phase I ESA was prepared for use solely and exclusively by Wright & Company. This report shall not be relied upon by or transferred to any other party without the express written authorization of Rincon Consultants.

Wright & Company has requested this assessment and will use the assessment to provide information to a lender for the purposes of refinancing said property. No other use or disclosure is intended or authorized by Rincon. Wright & Company agrees to hold Rincon harmless for any inverse condemnation or devaluation of said property that may result if Rincon's report or information generated is used for other purposes. Also, this report is issued with the understanding that it is to be used only in its entirety. It is intended for use only by the client, and no other person or entity may rely upon the report without the express written consent of Rincon.

This work has been performed in accordance with good commercial, customary, and generally accepted environmental investigation practices for similar investigations conducted at this time and in this geographic area. No other guarantee or warranties, expressed or implied are provided.

The findings and opinions conveyed in this report are based on findings derived from a site reconnaissance, review of an environmental database report, specified regulatory records and historical sources, and comments made by interviewees. This report is not intended as a comprehensive site characterization and should not be construed as such. Standard data sources relied upon during the completion of Phase I ESAs may vary with regard to accuracy and completeness. Although Rincon believes the data sources are reasonably reliable, Rincon cannot and does not guarantee the authenticity or reliability of the data sources it has used. Additionally, pursuant to our contract, the data sources reviewed included only those that are practically reviewable without the need for extraordinary analysis.

Rincon has not found conclusive evidence that hazardous materials or petroleum products exist at the site at levels likely to warrant mitigation. Rincon does not under any circumstances warrant or guarantee that not finding evidence of hazardous materials or petroleum products means that hazardous materials or petroleum products do not exist on the site. Additional research, including surface or subsurface sampling and analysis, can reduce Wright & Company risks, but no techniques commonly employed can eliminate these risks altogether. In addition, in accordance with our authorized work scope and contract, no attempt was made to check for the presence of asbestos, lead-based paint, lead in drinking water, wetlands, regulatory compliance, cultural and historic resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality, or high voltage power lines.

SITE DESCRIPTION

LOCATION AND LEGAL DESCRIPTION

The site is a rectangular shaped property located at the 130 Garden Street in Santa Barbara, California (Figure 2, Site Map). The property is identified as APN 17-630-05. The property is located on the northwest corner of Garden Street and Yanonali Street. Highway 101 is located to the north of the property.

SITE AND VICINITY GENERAL CHARACTERISTICS

The site is located in an area that is primarily comprised of industrial land uses. Properties in the vicinity of the site include numerous industrial businesses and a residential development.

CURRENT USES OF THE PROPERTY

The site is currently used by various tenants. The tenants and their site uses include the following:

- Progressive Care – landscape supply company
- Peter Grim – miscellaneous storage
- Ralph Cardenas – propane business with empty container and miscellaneous storage
- David Ashely – recycle business
- Burr Barker Landscape – landscape contractor storage
- Ronald Romero – metal roof contractor
- Robert Holtan – miscellaneous storage
- Garcia Contractors – plaster contractor
- Economy Tree Service – landscape contractor
- Bob Holzer Towing – car storage lot
- Chris Scott Masonry – masonry contractor
- Aliotti Fish Company – boat and miscellaneous storage
- Chris Anzalone – sheet metal contractor
- United Paving – paving contractor

DESCRIPTIONS OF STRUCTURES, ROADS AND OTHER IMPROVEMENTS ON THE SITE

Access to the site is available from a driveway on Yanonali Street. Water and sewer service is provided by the City of Santa Barbara. Southern California Edison (SCE) provides electrical service. Solid waste collection and disposal services are provided by private vendors. Although there are no permanent structures located on the property, there are numerous roll-off type storage containers and a few mobile trailer type offices.

CURRENT USES OF THE ADJACENT PROPERTIES

Current adjacent land uses are described in Table 1 and depicted on Figure 3, Adjacent Land Use Map.

Table 1 - Current Uses of Adjacent Properties

Area	Use
Northern Property	Highway 101
Eastern Property	Laguna Channel
Western Property	Garden Street / vacant / Residential Development
Southern Property	Commercial / Industrial businesses

USER PROVIDED INFORMATION

TITLE RECORDS

Wright & Company did not provide Rincon with a copy of title records for the subject property.

ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS

Wright & Company did not provide Rincon with any information pertaining to environmental liens or activity and use limitations for the subject property.

SPECIALIZED KNOWLEDGE

Wright & Company did not provide Rincon with any specialized knowledge that would be material to recognized environmental conditions in connection with the property.

VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES

Wright & Company did not provide Rincon with any information pertaining to a valuation reduction for the subject property relative to any known environmental issues.

OWNER, PROPERTY MANAGER, AND OCCUPANT INFORMATION

The owner and property manager were interviewed regarding the current and former uses of the site. The information obtained from these interviews is described in the Site Reconnaissance and Interviews section of this report.

RECORDS REVIEW

PHYSICAL SETTING SOURCES

Topography

The current U.S. Geologic Survey topographic map (Santa Barbara Quadrangle) indicates that the site is situated at an elevation of about 20 feet above mean sea level with topography sloping to the southwest and southeast.

Site Geology

The subject property is located within the Santa Barbara Basin of southern Santa Barbara County, California. The site is on a gently south-sloping coastal plain of stream-deposited sediments. These sediments were derived from erosion of the nearby Santa Ynez Mountains and local topographic highlands. Unconsolidated alluvium fills the Santa Barbara Basin. Below the site, the underlying bedrock is found at a depth of about 800 feet below ground surface (USGS, Water-Resources Investigations Report, 86-4103). According to the Geologic Map of the Santa Barbara Quadrangle (Dibblee, 1986), the site is underlain by Quaternary-age alluvium. This alluvium is comprised of unconsolidated floodplain deposits of silt, sand, and gravel likely deposited by the Mission Creek and its ancestral equivalents. The inferred trace of the potentially active Mesa Fault is located within 1 mile of the site.

Regional Ground Water Occurrence and Quality

The site is within Unit 1 of the Santa Barbara Groundwater Basin. The Santa Barbara Formation and overlying unconsolidated Holocene alluvium comprise the water bearing zones within this unit. Aquifers within the Santa Barbara Groundwater Basin are used for domestic water supply. In general, the aquifers used for water supply are about 300 feet below grade near the site area. Shallow groundwater has been encountered in the area at about 8 feet below ground surface. Groundwater flow in the site vicinity is generally southeast to southwest.

STANDARD ENVIRONMENTAL RECORDS SOURCES

Environmental Data Resources, Inc. (EDR) was contracted to provide a database search of public lists of sites that generate, store, treat or dispose of hazardous materials or sites for which a release or incident has occurred. The EDR search was conducted for the subject property and included data from surrounding sites within a specified radius of the property. A copy of the EDR report, which specifies the ASTM search distance for each public list, is included as Appendix 1. As shown on the attached EDR report, Federal, State and County lists were reviewed as part of the research effort. The adjacent property to the south was listed as having two LUST sites and a Cortese site in the EDR database. The EDR report indicated that one of the LUST sites (Former Calavo Warehouse, 130 Garden Street) was a soil only case and is currently in the local oversight program. The second LUST listing and the Cortese listing pertain to the Agri-turf Supplies (130 Garden Street). The EDR report indicates that it is a groundwater case currently under the local oversight program.

Sites that were identified within a 1/4 mile radius of the subject property are listed in Table 2, EDR Listing Summary of Sites Within 1/4 Mile of the Subject Property (see Appendix 1 for a complete listing of sites reported by EDR) and include sites that appear in the following databases:

UST: The UST database contains registered USTs. This database is maintained by the State Water Resources Control Board.

FINDS: Facility Index System. Contains both facility information and pointers to other sources that contain more detail.

LUST: LUST records contain an inventory of reported leaking underground storage tank incidents. This database is maintained by the State Water Resources Control Board.

RCRIS-(TSD, LQG, SQG): Resource Conservation and Recovery Information System. The RCRIS database includes selected information on sites that generate, store, treat, or dispose of hazardous waste as defined by the Resource Conservation and Recovery Act. TSD refers to transfer, storage or disposal facility. LQG refers to large quantity generator. SQG refers to small quantity generator. The source of this database is the U.S. EPA.

CORTESE: Identified Hazardous Waste and Substance Sites. This database (from the CAL EPA/Office of Emergency Information) identifies public drinking water wells with detectable levels of contamination, hazardous substance sites selected for remedial action, sites with known toxic material identified through the abandoned site assessment program, sites with USTs having a reportable release and all solid waste disposal facilities from which there is known migration.

Ca. FID: California Facilities Inventory Database contains active and inactive underground storage tank locations as provided by the California State Water Resources Control Board.

HistUST: The Hazardous Substance Storage Container Database is a historical listing of UST sites. This database is maintained by the State Water Resources Control Board.

CERC-NFRAP: No further remedial action planned.

HAZNET: Hazardous Waste Information System. Data that is extracted from the copies of hazardous waste manifests received each year by the DTSC (information is provided by the Department of Toxic Substances Control).

Table 2 - EDR Listing Summary of Sites Within 1/4 Mile of the Subject Property

Site Name	Site Address	Distance from Subject Property (miles)	Database Reference
Former Calavo Warehouse	130 Garden Street	<1/8	LUST, Cortese
Agri-Turf Supplies	130 Garden Street	<1/8	LUST
Morf State	210 Santa Barbara Street	<1/8	HAZNET
Santa Barbara Paint Company	314 Palm Avenue	<1/8	RCRIS-SQG, FINDS, HIST UST
Service Station	403 East Montecito Street	<1/8	HIST UST
Lowell Thielicke Trans Spec INC	227 Gray Ave	<1/8	RCRIS-SQG, FINDS, HAZNET, LUST, Cortese
In & Out Paint and Body	315 Anacapa	1/8-1/4	HAZNET
Serigraph Industries Inc	321 Anacapa Street	1/8-1/4	RCRIS-SQG, FINDS
Sundown Towing	326 Anacapa Street	1/8-1/4	HAZNET
AAMCO Transmissions	333 Anacapa Street	1/8-1/4	RCRIS-SQG, FINDS, HAZNET, CA FID UST, HIST UST
Sterns Auto Body/Allens Auto body	129 E Gutierrez Street	1/8-1/4	HAZNET, RCRIS-SQG, FINDS, HAZNET
Cito Corp	520 E. Montecito Street	1/8-1/4	HAZNET, LUST
Acromatics, INC	122 E. Gutierrez Street	1/8-1/4	HAZNET
Avis Rent-A-Car/Arco Products Company	34 Montecito Street	1/8-1/4	HAZNET, Cortese, LUST
Santa Barbara Wastewater Plant/El Estero Wastewater Treatment	402 E. Mason Street	1/8-1/4	RCRIS-SQG, FINDS, HIST UST
Seafood Specialties	211 Helena Avenue	1/8-1/4	RCRIS-SQG, FINDS
Offerman/ Sloan Instruments Corporation	535 Montecito	1/8-1/4	Cortese, FINDS, CERC-NFRAP, HAZNET
McNall Building Materials	208 N Salsipuedes Street	1/8-1/4	HAZNET

Three LUST sites are reported to be present within 1/8 miles of the subject property. Two of the LUST sites are located on the adjacent block to the south. However, based on the distance from the subject property, and the reported groundwater flow direction to the east/northeast these specified properties would not be expected to impact the subject property. However, as a follow-up to the database search, we reviewed files pertaining to the adjacent listed sites to the south (130 Garden Street).

REVIEW OF FILES

As a follow-up to the database search and the site reconnaissance, we reviewed documents pertaining to the adjacent listed properties:

- Former Calavo Warehouse
- Agri-Turf Supplies

An underground storage tank was discovered during the construction of Garden Street in 1998. The tank was located on a property owned by Wright & Co., and is adjacent to a former Calavo warehouse. A permit to install a 1,000 gallon gasoline underground storage tank (UST) (permit issued in 1955 to the Southern Pacific Railroad and the Santa Barbara Coastal Lemon Association) corresponds with the subject tank. The UST was unknown to Wright & Co. until discovered by the City of Santa Barbara during the City's construction of Garden Street.

At the request of Wright & Co., Hoover & Associates (April 1, 1998) obtained soil samples in the vicinity of the tank with a hand auger. Soil sampling results detected levels of total petroleum hydrocarbons (TPH) up to 300 parts per million (ppm), ethylbenzene (0.014 ppm) and total xylenes (0.15 ppm). The ethylbenzene and xylenes were detected in one of four samples analyzed for these constituents. The other three samples did not have detectable levels of either of these constituents. The xylenes and ethylbenzene concentrations did not exceed the drinking water Maximum Contaminant Levels (MCLs) of 1.75 ppm and 0.7 ppm, respectively.

On March 2, 1999, Rincon Consultants, Inc. and Ralph E. Powell Construction Company personnel were on site to remove the 1,000-gallon underground storage tank. An inspector from the Santa Barbara County Protection Services Division (PSD) was present to observe the tank removal. The Santa Barbara Fire Department was notified of the removal but chose not to be onsite.

Upon removal of the underground fuel tank, three soil samples were taken. Two samples were collected from the sidewall near the bottom of excavation, and one sample was obtained from the spoil pile material. The two samples from the excavation had detectable levels of one or more of the following: ethylbenzene, toluene, xylenes, total petroleum hydrocarbons (TPH) as gasoline, and total lead. The samples did not have detectable levels of ethylene dibromide (EDB), ethylene dichloride (EDC), or methyl tertiary butyl ether (MTBE). The spoil pile sample had detectable levels of total lead. No other contaminant was detected in the spoil pile sample. Because the soil sample from the spoil pile did not have levels of fuel hydrocarbons that exceeded PSD's target goals, this material was used to backfill the excavation. No soil was removed from this site during the tank removal project.

On January 28, 2000, Rincon Consultants performed a soil and groundwater assessment near the former underground storage tank. The assessment was in accordance with a January 19, 2000 directive from PSD. The January 2000 soil and groundwater sampling results indicated that low levels of aromatic hydrocarbons (benzene and toluene) in groundwater slightly exceeded the MCL values for these constituents in drinking water. Groundwater was encountered at a depth of

8 feet in boring GP1. TPH as gasoline, benzene, toluene, and total xylenes were detected in the groundwater. TPH as gasoline was detected at 2.9 milligrams per liter (mg/L), benzene was detected at 4 micrograms per liter (µg/L), toluene was detected at 177 µg/L, and total xylenes were detected at 870 µg/L.

As previously identified by Hoover & Associates (1998), levels of long-chain hydrocarbons in soil exceed the County Investigation Levels of 100 parts per million (ppm). The gasoline range hydrocarbons in soil did not exceed this investigation level standard. Because other more toxic components of fuels, such as aromatic hydrocarbons and additives such as EDB, EDC, and MTBE were not detected in the soil samples above their corresponding MCLs, the long-chain hydrocarbons in soil above the 100 ppm investigation level was of little concern. The groundwater sample obtained as part of the assessment did not have detectable levels of long-chain hydrocarbons. Based on local closure precidents, and the findings of the assessments conducted on the site, Rincon requested environmental closure for the site.

After reviewing our report dated May 3, 2002, the County of Santa Barbara PSD concluded that a groundwater monitoring well should be installed in the location of the former UST to assess the reported elevated benzene and toluene levels in the groundwater.

In response to the PSD directive, Rincon prepared a work plan to complete a soil and groundwater assessment at the subject property (*GroundwaterMonitoring Well Installation Work Plan, December 6, 2002).* The work plan was approved by the PSD in a letter to Mr. Tony Bortalazzo of Wright & Co., and Mr. James Levy of the Union Pacific Railroad, dated January 8, 2003.

During the well installation and subsequent sampling, no significant quantities of fuel-related hydrocarbons were detected in the soil samples analyzed. The initial water sample collected from the well detected TPH as gasoline, benzene, and toluene. The well was re-sampled on two subsequent occasions, and no concentrations of TPH as gasoline, or toluene were detected. A small quantity of benzene was detected in the second sample (1.4 micrograms per liter (µg/L)), and no benzene was detected in the third sample. No fuel oxygenates or other volatile chemicals were detected in any of the soil or groundwater samples analyzed as part of this assessment.

Based on the results of groundwater sampling, Rincon requested site closure for this site, and requested a no further action letter from the County of Santa Barbara PSD for this facility. A letter from the Santa Barbara PSD dated July 9, 2003 indicated that no further action was required at the subject site.

Agri-Turf Supplies

Four underground storage tanks used to store gasoline (2 tanks, 1,000 gallon capacity each) and "spray oil"- presumably mineral oil- (2 tanks, 3,000 and 4,000 gallon capacity) were removed from the Agri-Turf site in 1988. Soil and groundwater near and downgradient of the tanks were impacted with gasoline. The contaminants detected in soil and groundwater include TPH-gasoline and BTEX. These contaminants were consistent with a release from the onsite USTs. Contaminants in soil were generally found from 6 to 10 feet below grade. Groundwater was

found at about 6 to 10 feet below grade. The contaminants in soil were likely within a smeared zone near and within the capillary fringe. Five groundwater monitoring wells were installed at this facility; only one of these wells (MW-2) is located downgradient of the former tanks. Groundwater flow was to the east to northeast. As such, MW-2 and an unlined channel are downgradient of the USTs. This well, about 30 feet from the channel water, has consistently had the greatest level of contaminants in groundwater detected at this site. Up to several feet of free phase gasoline was previously present in MW-2. A regular program of free-phase removal was implemented until the free-phase contamination was removed from the well.

GeoSyntec's submitted a November 1, 2002 Site Characterization Work Plan and Corrective Action Plan (CAP) for the former Agri-Turf facility to the Santa Barbara County PSD. A letter dated December 20, 2002 approved the workplan and corrective action plan (CAP). We understand that GeoSyntec is in the process of implementing the CAP.

ADDITIONAL ENVIRONMENTAL RECORDS SOURCES

Review of State of California Division of Oil and Gas Records

A review of the Division of Oil and Gas Munger Map Book (2001) indicates that no oil wells are located with a one-mile radius of the subject property.

HISTORICAL USE INFORMATION

Review of Historic Aerial Photographs

Aerial photographs from the UCSB Map and Imagery Department aerial photograph collection were reviewed on July 7, 2003. The date and source of each photograph and the observations noted during the review are summarized below:

- ***1928 - (Fairchild, 1"=600')*** – The photo depicts the site as being vacant undeveloped land. A drainage channel appears to the east of the subject property. Undeveloped vacant land appears to the immediate west and south of the subject property. Several small structures appear west of the subject property. A street and several small structures appear to the north. The Southern Pacific Railroad appears in the southern portion of the photo. A railroad yard appears to the south/southwest of the subject property.

- ***1938 - (Fairchild, 1"=600')*** – The photo appears similar to the 1928 photo.

- ***1947 - (USGS, 1"=600')*** – The photo depicts the site as being vacant undeveloped land. Several dirt roads transect the site. A drainage channel appears to the east of the subject property. The small structures to the north noted in the 1938 photo no longer visible. Undeveloped vacant land appears to the immediate west and south of the subject property. The construction of Highway 101 appears to have begun to the northeast of the subject property.

- ***1956 - (Mark Hurd, 1"=600')*** – The photo depicts the site as being undeveloped. A

small structure or vehicle is located in the north-central portion of the site. Several dirt roads transect the site. Highway 101 appears to the north of the subject property. The property to the south is developed with a large industrial/commercial building and five medium industrial/commercial buildings. The property to the west is undeveloped vacant land. A drainage channel appears to the east. The Southern Pacific Railroad appears in the southern portion of the photo. A railroad yard and several railroad spurs appear to the south/southwest of the subject property. The general area appears to be transforming from a residential area to a commercial/industrial area.

- ***1966 - (Mark Hurd, 1"=600')*** – The photo appears similar to the 1956 photo. However, the small structure or vehicle noted on the property in 1956 is no longer present.

- ***1975 - (Mark Hurd, 1"=600')*** – The photo appears similar to the 1966 photo.

- ***1982 - (National ocean Service, 1"=600')*** – The photo appears similar to the 1975 photo.

- ***1994 - (USGS, 1"=600')*** – The photo depicts the site as having segregated areas (tenant lease areas). No distinct structures or features could be determined from the photo. Highway 101 appears to the north of the subject property. The property to the south is developed with a large industrial/commercial building and five medium industrial/commercial buildings. The property to the west is undeveloped vacant land. A drainage channel appears to the east. The Southern Pacific Railroad appears in the southern portion of the photo. A railroad yard and several railroad spurs appear to the south/southwest of the subject property.

Review of Historic Topographic Maps

Historic topographic maps from the UCSB Map and Imagery Department map collection were reviewed on July 7, 2003. Copies of the historic topographic maps are included in Appendix 2 (Historical Documents). Following is a summary of our review of these maps.

- ***1944 Map*** – The map depicts the site as being undeveloped. Several small structures appear to the north of the subject property. A drainage is located to the east of the subject property. The adjacent property to the west and south are undeveloped. The Southern Pacific Railroad to the south and a railroad yard and several railroad spurs appear to the south/southwest of the subject property.

- ***1952 Map*** – The map depicts the site as being undeveloped. Highway 101 appears to the north. A drainage is located to the east of the subject property. The adjacent property to the west and south are undeveloped. The Southern Pacific Railroad to the south and a railroad yard and several railroad spurs appear to the south/southwest of the subject property.

- ***1967 Map*** – The map appears similar to the 1952 map with the exception of the adjacent property to the south. The property to the south is developed with a large

industrial/commercial building and six medium industrial/commercial buildings.

- ***1988 Map*** – The map appears similar to the 1967 map.
- ***1995 Map*** – The map appears similar to the 1988 map.

SITE RECONNAISSANCE AND INTERVIEWS

Rincon Consultants performed a reconnaissance of the site on July 2, 2003 accompanied by Bob Kniess (property manager). The purpose of the reconnaissance was to observe existing site conditions and to identify obvious indicators of hazardous materials that could affect the subject site. An interview questionnaire was provided to the property ~~owner,~~ Tony Bortolazzo (Wright & Company) prior to the site reconnaissance. A copy of the completed questionnaire is included in Appendix 3. The following information is based on observations noted or information obtained during the July 2, 2003 site reconnaissance and our review of the completed questionnaire.

It should be noted that based on the numerous tenants on the property, not all areas could be visually inspected. Many of the tenants had self-locking storage sheds/mobile trailers (Figure 4, Photo 1) within their lease areas.

HISTORICAL USE INFORMATION

Mr. Bortolazzo indicated that there are no permanent on-site structures. Wright Family Partners LP currently owns the property. He did not know who owned or leased the site property prior to Wright Family partners LP.

Mr. Bortolazzo indicated that the site is built upon debris emplaced in the area following the 1925 earthquake. The past 25 years the site has been used by various tenants for storage yards. Mr. Bortolazzo also indicated that one of the tenants (Ralph Cardenas) received a notice to comply inspection report from the Santa Barbara County Fire Department, Hazardous Materials Unit. The report indicated that the fire department responded to a fire during a propane filling operation. The report cited several violations including cleanup hydrocarbon waste, contaminated soil, and legally packaged or stored hazardous materials. The hydrocarbon waste, contaminated soil, and hazardous materials appeared to be cleaned up during the site reconnaissance.

CURRENT USES OF THE PROPERTY

Mr. Bortolazzo indicated that the site is currently used by the following tenants:

- Progressive Care – landscape supply company
- Peter Grim – miscellaneous storage
- Ralph Cardenas – propane business with empty container and miscellaneous storage
- David Ashely – recycle business

- Burr Barker Landscape – landscape contractor storage
- Ronald Romero – metal roof contractor
- Robert Holtan – miscellaneous storage
- Garcia Contractors – plaster contractor
- Economy Tree Service – landscape contractor
- Bob Holzer Towing – car storage lot
- Chris Scott Masonry – masonry contractor
- Aliotti Fish Company – boat and miscellaneous storage
- Chris Anzalone – sheet metal contractor
- United Paving – paving contractor

STORAGE TANKS

During the site reconnaissance, Rincon observed an above-ground diesel fuel tank on the Progressive Care landscape supply company yard (Figure 4, Photo 2). The tank appeared to be a 500-gallon diesel fuel tank located within a containment system. No spills, leaks or odors were noted around the tank area. No other above or below ground storage tanks were observed on the subject property.

HAZARDOUS SUBSTANCES AND PETROLEUM PRODUCTS IN CONNECTION WITH IDENTIFIED USES

The use of small quantities of various hazardous substances were observed during the site reconnaissance. The small quantity hazardous substances were used for maintenance and operation of equipment by various tenants. No major spills or leaks from these substances were noted on the subject property.

UNIDENTIFIED HAZARDOUS SUBSTANCE AND PETROLEUM PRODUCT CONTAINERS

Unidentified hazardous substance containers or unidentified containers that might contain hazardous substances were not observed during the site reconnaissance.

INDICATIONS OF POLYCHLORINATED BIPHENYLS (PCBs)

Mr. Bortolazzo indicated that there are no transformers or hydraulic equipment on this site. This equipment was not noted during Rincon's site visit.

OTHER CONDITIONS OF CONCERN

During the site reconnaissance, Rincon did not observe or note any of the following possible indicators of a hazardous materials release:

- *drains or sumps*
- *pools of liquid*
- *effluent disposal systems*

- *stressed vegetation*
- *odors*

FINDINGS

Known or suspect environmental conditions associated with the property include the following:

- The subject property is built upon debris from the 1925 earthquake.
- Presence of AST located on the Progressive Care site.
- Small quantity hazardous substances used and stored on site by various tenants.

OPINION

The site is built upon the 1925 earthquake debris. Earthquake debris consisted of various building materials. The earthquake debris could include a variety of contaminants, such as petroleum hydrocarbons, polynuclear aromatic hydrocarbons and metals.

During the site reconnaissance, Rincon observed an above-ground diesel fuel tank on the Progressive Care landscape supply company yard. The tank appeared to be a 500-gallon diesel fuel tank located within a containment system. No spills, leaks or odors were noted around the tank area. Therefore, the AST does not appear to pose an environmental concern.

Although many of the tenants appeared to use or store small quantities of hazardous materials, there was no evidence that the use of these materials have impacted the subject property. The use of these materials would not be considered an environmental concern.

CONCLUSIONS

Rincon has performed a Phase I ESA in general conformance with the scope and limitations of ASTM Practice E 1527 of 130 Garden Street in Santa Barbara, California. This assessment has revealed evidence of a potential recognized environmental condition (REC) in connection with the property. The potential REC is the result of the site being built upon debris from the 1925 Santa Barbara earthquake. The earthquake debris could include a variety of contaminants.

The term REC is not intended to include situations whereby the environmental condition would not be the subject of an enforcement action if brought to the attention of appropriate government agencies. The presence of earthquake-related debris throughout much of the coastal part of the City of Santa Barbara is known to the Santa Barbara County Protection Services Division (PSD) and the Regional Water Quality Control Board (RWQCB) – Central Coast staff.

To our knowledge, neither PSD nor the RWQCB are requiring the remediation of this debris. However, unless excavation of the debris is being performed, PSD and RWQCB have typically not initiated any enforcement action or required remediation of the debris. We do know of cases

where PSD is overseeing remediation of building debris at sites that are being redeveloped. If the remodeling includes excavation of building debris, PSD has required the assessment and remediation of contaminants contained in the building debris. Thus, the presence of building debris underlying the site could pose a future liability related to the redevelopment of the site.

REFERENCES

The following published reference materials were used in preparation of this Phase I ESA:

Environmental database: Environmental Data Resources (EDR) report dated June 20, 2003.
Geology: Geologic Map of the Santa Barbara Quadrangle (Dibblee, 1986)
Groundwater: County of Santa Barbara Public Works Division
Topography: USGS topographic map (1995)
Oil and gas records: Division of Oil and Gas Munger Map Book (2001)
Aerial photographs: Photos maintained by UCSB Map and Imagery Department
Historic topographic maps: Maps maintained by UCSB Map and Imagery Department

QUALIFICATIONS

The environmental professionals responsible for conducting this Phase I ESA and preparing the report include Scott English and Walt Hamann. Their qualifications are summarized below.

Walt Hamann, RG, CEG, CHG, REA II, is a Principal and Senior Geologist with Rincon Consultants. He holds a Bachelor of Science degree in geology from the University of California, Santa Barbara and a Master of Science degree in geology from the University of California, Los Angeles. He has over 17 years of experience conducting assessment and remediation projects and has prepared or overseen the preparation of hundreds of Phase I and Phase II Environmental Site Assessments throughout California. Mr. Hamann is a Registered Geologist (#4742), Certified Engineering Geologist (#1635), Certified Hydrogeologist (#208) and Registered Environmental Assessor II (#20063) with the State of California.

R. Scott English, REA I, is an Associate Environmental Scientist with Rincon Consultants. He holds a Bachelor of Science degree in Soil Science with a concentration in environmental management from California Polytechnic University, San Luis Obispo, California. Mr. English's responsibilities at Rincon include implementation of site assessments and development of site remediation programs within the Environmental Site Assessment and Remediation Group. Mr. English has extensive experience performing Phase I and Phase II Environmental Site Assessments as well as completing remediation projects. He has over eight years of experience conducting research, assessment and remediation projects. Mr. English is a Registered Environmental Assessor I (#07504) with the State of California.